

**Bay State Gas Company**  
**Pension and PBOP Cost Included in O&M Expense**  
**To Be Included in LDAC**  
**Test Year Ended December 31, 2004**

<u>Line No.</u>	<u>Description</u> (1)	<u>Amount</u> (2) \$
1	<b><u>PENSION - NON SERP *</u></b>	
2	Gross Expense	3,832,000
3	Amounts Capitalized	(842,910)
4	Amounts Capitalized - Cost of removal	(54,896)
5	Amounts Capitalized - stores	(20,806)
6	Amounts Capitalized - auto	(51,148)
7	Amounts billed to NH/Maine via Mgmt Fee	(121,119)
8	Amounts billed to Mass from NH	9,337
9	Amounts reclassified to non-utility	<u>(49,895)</u>
10	Total Bay State Pension Costs in O&M	2,700,563
11	NiSource Corporate Services Company - Pension	<u>482,106</u>
12	Total Pension	<u>3,182,669</u>
13	<b><u>PBOP</u></b>	
14	Net Gross Expense	3,327,000
15	Amounts Capitalized - CWIP	(746,380)
16	Amounts Capitalized - Cost of removal	(48,609)
17	Amounts Capitalized - stores	(18,424)
18	Amounts Capitalized - auto	(45,290)
19	Amounts billed to NH/Maine via Mgmt Fee	(107,181)
20	Amounts billed to Mass from NH	9,098
21	Amounts reclassified to non-utility	<u>(44,326)</u>
22	Total Bay State PBOP Costs in O&M	2,325,888
23	NiSource Corporate Services Company - PBOP	<u>121,725</u>
24	Total PBOP	<u>2,447,613</u>
25	Total Pension & PBOP Costs to be Included in LDAC	<u>5,630,282</u>

\* Excludes Supplemental Executive Retirement Plan